



WESTERN PLACER
WASTE MANAGEMENT AUTHORITY

PAUL JOINER, LINCOLN, CHAIR
ROBERT WEYGANDT, PLACER COUNTY
JOHN ALLARD, ROSEVILLE
JACK DURAN, PLACER COUNTY
SCOTT YUILL, ROCKLIN
KEN GREHM, EXECUTIVE DIRECTOR

MEETING OF THE BOARD OF DIRECTORS

AGENDA

September 14, 2017 6:00 PM

**Materials Recovery Facility Administration Building
3033 Fiddymont Road, Roseville, CA 95747**

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection at the Clerk of the Board, 3033 Fiddymont Road, Roseville, CA 95747, during normal business hours and at the meeting location immediately before and during the meeting. The Western Placer Waste Management Authority is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you are hearing impaired, we have listening devices available. If you require additional disability-related modifications or accommodations, including auxiliary aids or services, please contact the Clerk of the Board at (916) 543-3960. If requested, the agenda shall be provided in appropriate alternative formats to persons with disabilities. All requests must be in writing and must be received by the Clerk five business days prior to the scheduled meeting for which you are requesting accommodation. Requests received after such time will be accommodated if time permits.

1. Call Meeting to Order
2. Pledge of Allegiance (Director Duran)
3. Roll Call
4. Statement of Meeting Procedures (Clerk of the Board)
5. Agenda Approval
6. Public Comment

This is a time when persons may address the Board regarding items not on this Agenda. It is requested that comments be brief, since the Board is not permitted to take any action on items addressed under Public Comment.

7. Consent Agenda
 - a. Minutes of the Board Meeting held July 13, 2017 Pg. 3
Approve as submitted.
 - b. Resolution to Apply for Oil Grant Funds (Stephanie Ulmer) Pg. 7
Approve Resolution No. 17-02 authorizing the submittal of annual applications to the Department of Resources Recycling and Recovery for the Used Oil Payment Program on behalf of the County of Placer, cities of Auburn, Colfax, Lincoln, Rocklin and Roseville, and the Town of Loomis.
8. Announcements & Information
 - a. Reports from Directors ----
 - b. Report from the Executive Director (Ken Grehm) ----
 - c. Financial Reports (Valerie Bayne) Pg. 11
 - d. Monthly Tonnage Reports (Keith Schmidt) ----
 - e. Creditable Recovery Achieved & Incentive Payments Earned by Nortech Waste in FY 2016/17 (Keith Schmidt) Pg. 15
 - f. FY 2016/17 Recyclable Revenue Sharing (Eric Oddo) Pg. 17

- g. FY 2016/17 Energy 2001 Performance Analysis (Keith Schmidt) Pg. 19
 - h. Subsurface Oxidation Event Update (Keith Schmidt) Pg. 21
 - i. Overview of the WPWMA's Financial Forecasting Tool (Eric Oddo) Pg. 25
- 9. Action Items
 - a. First Amendment to the Cornerstone Agreement for Landfill Gas Operation, Monitoring and Maintenance Services (Keith Schmidt) Pg. 27
Authorize the Chair to sign the First Amendment to the Landfill Gas Operations, Monitoring and Maintenance Services Agreement with Cornerstone Environmental Group, LLC adding a task to conduct a well condition assessment, for an amount not to exceed \$70,000
- 10. Upcoming Agenda Items
Identification of any items the Board would like staff to address at a future meeting.
- 11. Closed Session
Anticipated Litigation:
 - a. Initiation of litigation pursuant to subdivision (d)(4) of Government Code §54956.9: one potential case.
- 12. Adjournment

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

Minutes of July 13, 2017

The meeting of the Western Placer Waste Management Authority Board of Directors was called to order at 6:00PM by Chairman Joiner in the WPWMA Administration Building at the Materials Recovery Facility.

Directors Present:

Paul Joiner
Robert Weygandt
John Allard
Jack Duran
Scott Yuill

Staff Present:

Bill Zimmerman
Eric Oddo
Robert Sandman
Keith Schmidt
Heather Wilden

1. Call Meeting to Order: Chairman Joiner called the meeting to order at 6:00 PM.
2. Pledge of Allegiance: Director Allard led the Pledge of Allegiance.
3. Roll Call: All Directors were present.
4. Statement of Meeting Procedures: Heather Wilden read the Statement of Meeting Procedures into the record.
5. Agenda Approval: Staff recommended removing item 9a2 from the agenda.

MOTION TO APPROVE THE AGENDA AS AMENDED: Duran/Yuill

Vote: Unanimous

6. Public Comment: No one from the public addressed the Board.
7. Consent Agenda:
 - a. Minutes of the Board Meeting held May 11, 2017
Staff recommended approving as submitted.
 - b. Agreement with SCS Engineers for Water Quality Monitoring Services
Staff recommended authorizing the Chair to sign an Agreement with SCS Engineers for water quality monitoring services at the Western Regional Sanitary Landfill for an amount not to exceed \$203,900.

Keith Schmidt indicated the Agreement before the Board included a revised version of the task budget summary that was included with the staff report. Keith confirmed that the overall budget remained the same. There were no questions from the Board.

MOTION TO APPROVE THE CONSENT AGENDA: Weygandt/Duran

Vote: Unanimous

8. Announcements & Information:
 - a. Reports from Directors: None.

- b. Report from the Executive Director: Bill Zimmerman provided the Board with an update on the status of negotiations with Nortech regarding their request for additional compensation due to a change in circumstances. Bill noted that Nortech submitted a letter thanking the WPWMA for addressing the minimum wage issue and that Nortech suggested setting aside the remaining issues so that they could provide the WPWMA with a proposal to upgrade the facility and revise facility operations in an effort to reduce costs. Bill answered questions from the Board.
 - c. Financial Reports: Eric Oddo summarized the report. There were no questions from the Board.
 - d. Monthly Tonnage Reports: Keith Schmidt summarized the report. There were no questions from the Board.
 - e. Nortech Waste, LLC Annual Fee Adjustment: Keith Schmidt summarized the report. There were no questions from the Board.
 - f. Nortech Landfill, Inc. Annual Fee Adjustment: Keith Schmidt summarized the report and answered questions from the Board.
 - g. Facility Master Planning Project Update: Eric Oddo summarized the report and answered questions from the Board.
9. Action Items:
- a. Energy 2001 Negotiations Update
 - 1. Receive an update and provide direction to staff regarding the ongoing negotiations with Energy 2001 to modify the current royalty rate structure.

Eric Oddo noted that staff is seeking the Board's input and direction on the approach staff has taken in negotiating an amendment with Energy 2001. Specifically, staff is seeking input on whether the Board would prefer: 1) staff continue to take a broad approach to adjusting the royalty rate methodology to account for both past and potential future fluctuations in landfill gas delivery rates or 2) staff limit the focus of the amendment to addressing the impact of reduced landfill gas flow rates over the past year.

Eric presented a history of the landfill gas collected by the WPWMA and gross revenues earned by Energy 2001 as well as a summary of the revised royalty rate methodologies proposed by both the WPWMA and Energy 2001.

Laura Rasmussen of Energy 2001 presented information regarding Energy 2001's understanding of future available landfill gas flow rates and how this influenced their proposal to the WPWMA to increase royalty rates during the term extension of their lease. Laura also presented an overview of Energy 2001's estimated revenues and expenses as a function of available landfill gas flow rates.

The Board directed staff to continue negotiations in the same manner taking a broad approach that reflects changes in past and future landfill gas flows.

10. Upcoming Agenda Items: None.

11. Adjournment: Meeting was adjourned at 7:08PM.


Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Heather Wilden". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Heather Wilden, Clerk of the Board
Western Placer Waste Management Authority

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**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **SEPTEMBER 14, 2017**
FROM: **KEN GREHM/STEPHANIE ULMER** 
SUBJECT: **RESOLUTION TO APPLY FOR OIL GRANT FUNDS**

RECOMMENDED ACTION:

Approve Resolution No. 17-02 authorizing the submittal of annual applications to the Department of Resources Recycling and Recovery (CalRecycle) for the Used Oil Payment Program (Grant) on behalf of the County of Placer, cities of Auburn, Colfax, Lincoln, Rocklin and Roseville, and the Town of Loomis.

BACKGROUND:

The California Public Resources Code authorizes CalRecycle to make payments to qualifying jurisdictions for implementation and continuation of their used oil and oil filter recycling programs.

The WPWMA has acted as the administrator of Grant funds on behalf of the majority of Placer County jurisdictions since 1997. Resolution No. 10-04, approved by your Board on April 8, 2010, allowed the WPWMA to submit Grant applications and administer Grant funds on behalf of Placer County, the cities of Auburn, Lincoln, Rocklin, Roseville and the Town of Loomis. The WPWMA uses the Grant funds to support regional used oil and filter recycling programs and related public outreach. Colfax has historically applied directly for and administered its Grant funds to support the City's oil collection facility. Colfax no longer operates that facility and requested that the WPWMA administer their funds as part of the regional effort.

CalRecycle requires that annual applications be accompanied by a resolution from your Board authorizing submittal of the Grant application, and requires a new resolution when a jurisdiction is added. Staff is recommending your Board approve Resolution No. 17-02 which rescinds Resolution No. 10-04 and updates the list of jurisdictions to include the City of Colfax.

ENVIRONMENTAL CLEARANCE:

Adopting the recommended resolution is not a project under the California Environmental Quality Act. Furthermore, implementation of public education programs is categorically exempt from further environmental review pursuant to Article 19, Sections 15322, "Educational or Training Programs Involving no Physical Changes", of the California Environmental Quality Act.

FISCAL IMPACT:

Payment is allotted on a per capita basis and varies based on the participating jurisdictions' populations. CalRecycle has not yet identified the amount of funds to be awarded in the 2017/18 program year; for purposes of comparison, the WPWMA has received between \$50,000 and \$83,000 from previous payment cycles. The addition of Colfax would add approximately \$5,000 annually for each payment cycle. No matching funds are required for this program.

ATTACHMENT: RESOLUTION

Before the Western Placer Waste Management Authority

In the matter of:
SUBMITTAL OF REGIONAL APPLICATIONS FOR USED OIL
PAYMENT PROGRAM

Resolution No. 17-02

The following **RESOLUTION** was duly passed by the Board of Directors of the Western Placer Waste Management Authority at a regular meeting held September 14, 2017, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after this passage.

Chair, Western Placer Waste
Management Authority

Attest:
Clerk of said Board

WHEREAS, Public Resources Code sections 48690 (et seq.) authorizes the Department of Resources Recycling and Recovery (CalRecycle), to make payments to qualifying jurisdictions for implementation of used oil programs as required by Public Resources Code sections 48690 (et seq.); and

WHEREAS, in furtherance of this authority, CalRecycle is required to establish procedures governing the administration of the Used Oil Payment Program; and

WHEREAS, the Used Oil Payment Program allows for collaboration by individual jurisdictions to apply as, and participate in, regional used oil programs; and

WHEREAS, CalRecycle's procedures for administering the Used Oil Payment Program require, among other things, a regional applicant's governing body to declare, by resolution, certain authorizations related to the administration of the Used Oil Payment Program; and

WHEREAS, the Western Placer Waste Management Authority approved Resolution No. 10-04 on April 8, 2010 authorizing submittal of Used Oil Payment Program grant applications on behalf of the County of Placer; the cities of Auburn, Lincoln, Rocklin and Roseville; and the Town of Loomis as part of a regional used oil program; and

WHEREAS, the City of Colfax has indicated its desire to be included in the regional used oil program administered by the Western Placer Waste Management Authority; and

WHEREAS, this Resolution rescinds and replaces Resolution No. 10-04 to include the City of Colfax in the list of jurisdictions identified in the regional used oil program administered by the Western Placer Waste Management Authority.

NOW, THEREFORE, BE IT RESOLVED that the Western Placer Waste Management Authority:

1. Authorizes submittal of a Used Oil Payment Program regional application as Lead Agency on behalf of the County of Placer, the Cities of Auburn, Colfax, Lincoln, Rocklin, and Roseville and the Town of Loomis should these entities wish to participate.
2. Authorizes and empowers the Executive Director, Deputy Executive Director and Program Manager to execute in the name of the Western Placer Waste Management Authority all necessary documents, including but not limited to, applications, contracts, payment requests, agreements and amendments hereto for the purposes of securing said payments and to implement and carry out the purposes specified in the Used Oil Payment Program application.
3. Rescinds and replaces Resolution 10-04 with this resolution.
4. Authorizes this resolution to remain effective until rescinded by this Board.

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WESTERN PLACER WASTE MGMT

INCOME STATEMENT

Year-to-Date Variance, through June 2017 (preliminary)

	<i>12 Months Ended June 30, 2017</i>	<i>12 Months Ended June 30, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
INCOME				
LANDFILL/MRF OPS 51130	24,532,867.21	23,284,730.00	1,248,137.21	5.4 %
CLOSURE/POST CLOSURE 59513	228,135.27	224,839.00	3,296.27	1.5 %
SOLID WASTE-ROAD IMPV	26,345.19	24,785.00	1,560.19	6.3 %
MISCELLANEOUS OTHER REV	252,577.33	291,380.00	(38,802.67)	-13.3 %
CASH OVERAGE	215.62	0.00	215.62	
TOTAL INCOME	25,040,140.62	23,825,734.00	1,214,406.62	5.1 %
NET INCOME	25,040,140.62	23,825,734.00	1,214,406.62	5.1 %
GROSS PROFIT	25,040,140.62	23,825,734.00	1,214,406.62	5.1 %
EXPENSES				
A-87 COSTS	120,967.00	143,342.00	22,375.00	15.6 %
UNIFORMS	5,285.40	1,500.00	(3,785.40)	-252.4 %
COMMUNICATIONS	17,780.02	33,000.00	15,219.98	46.1 %
INSURANCE	67,208.00	70,876.00	3,668.00	5.2 %
GEN LIABILITY INS	42,020.98	43,020.98	1,000.00	2.3 %
PARTS	70.99	1,000.00	929.01	92.9 %
MAINTENANCE-EQUIP	0.00	2,500.00	2,500.00	100.0 %
MAINTENANCE-BLDGS & IMP	5,075.70	20,000.00	14,924.30	74.6 %
DUES, SUBSC, MEMB	1,334.57	1,500.00	165.43	11.0 %
DEPT CASH SHORTAGE	146.82	300.00	153.18	51.1 %
PC ACQUISITION	0.00	1,800.00	1,800.00	100.0 %
PRINTING	11,297.55	17,000.00	5,702.45	33.5 %
OFF SUPPLIES & EXP	8,182.04	5,500.00	(2,682.04)	-48.8 %
POSTAGE	7,847.11	7,500.00	(347.11)	-4.6 %
MRF OPERATIONS	12,195,627.13	13,175,293.00	979,665.87	7.4 %
LANDFILL OPERATIONS	1,742,568.27	2,256,051.00	513,482.73	22.8 %
ADMINISTRATION	179,466.98	303,027.00	123,560.02	40.8 %
COMMISSIONERS FEES	2,000.00	3,600.00	1,600.00	44.4 %
PROF SVCS-PURCHD 51130	1,145,832.07	2,444,015.00	1,298,182.93	53.1 %
PROF/SPEC SVCS-COUNTY	86,278.26	130,000.00	43,721.74	33.6 %
PUBL & LEGAL NOTICES	10,023.03	10,000.00	(23.03)	-0.2 %
COUNTYWIDE SYSTEMS	28,471.00	0.00	(28,471.00)	
RENTS & LEASES-EQUIP	250.00	4,000.00	3,750.00	93.8 %
SPECIAL DEPARTMENT EXP	499,001.03	678,910.00	179,908.97	26.5 %

	<i>12 Months Ended June 30, 2017</i>	<i>12 Months Ended June 30, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TRAINING	1,015.00	1,000.00	(15.00)	-1.5 %
TRAVEL & TRANSPORTATION	564.72	3,000.00	2,435.28	81.2 %
MILEAGE	1,990.32	1,600.00	(390.32)	-24.4 %
COUNTY VEHICLE MILEAGE	10,481.80	10,750.00	268.20	2.5 %
MEALS/FOOD PURCHASES	785.58	800.00	14.42	1.8 %
UTILITIES	61,408.22	100,000.00	38,591.78	38.6 %
WTR & SEWAGE-SPEC DIS	2,904.00	1,000.00	(1,904.00)	-190.4 %
ENVIRONMENTAL ENGINEERING	2,519,634.83	2,905,720.00	386,085.17	13.3 %
TOTAL EXPENSES	18,775,518.42	22,377,604.98	3,602,086.56	16.1 %
INCOME FROM OPERATIONS	6,264,622.20	1,448,129.02	4,816,493.18	332.6 %
OTHER INCOME/(EXPENSES)				
LAND IMPROVEMENTS	0.00	(342,214.00)	342,214.00	100.0 %
BUILDINGS & IMPROVEMENTS	0.00	(48,383.00)	48,383.00	100.0 %
EQUIPMENT	(34,510.85)	(35,000.00)	489.15	1.4 %
APPROP FOR CONTINGENCIES	0.00	(50,000.00)	50,000.00	100.0 %
INTEREST REVENUE 51130	273,440.15	207,384.00	66,056.15	31.9 %
RENTS	96,437.01	90,077.00	6,360.01	7.1 %
STATE AID	43,351.37	95,000.00	(51,648.63)	-54.4 %
INT INCOME- NOTE RECEIVABLE	154,598.52	154,598.00	0.52	0.0 %
CONSTRUCTION PROJECTS	(1,331,781.28)	(3,557,216.00)	2,225,434.72	62.6 %
TOTAL OTHER INCOME/(EXPENSES)	(798,465.08)	(3,485,754.00)	2,687,288.92	77.1 %
NET INCOME BEFORE TAXES	5,466,157.12	(2,037,624.98)	7,503,782.10	368.3 %
NET INCOME	5,466,157.12	(2,037,624.98)	7,503,782.10	368.3 %

WESTERN PLACER WASTE MGMT

BALANCE SHEET

June 2017

ASSETS

CURRENT ASSETS

CASH IN 51130	20,699,422.04
CASH IN 59513	12,200,625.81
CASH IN 59517	7,096,884.28
CASH-MARKET VALUE GAINS/LOSSES	117,115.00
CASH-MARKET VALUE GAINS/LOSSES 59513	73,245.00
CASH-MARKET VALUE GAINS/LOSSES 59517	42,738.00
ACCOUNTS RECEIVABLE	3,359,140.07
ALLOWANCE FOR UNCOLLECTED A/R	(6,167.16)
NOTES RECEIVABLE	2,643,663.13
INVEST INT RECEIVABLE 51130	24,306.88
LAND IMPROVEMENTS	9,079,390.62
LAND	13,024,847.55
BUILDINGS & IMPROVEMENTS	58,205,565.70
ACCUMULATED DEPR-B & I	(36,436,349.69)
EQUIPMENT	626,925.44
ACCUMULATED DEPR-EQUIP	(253,572.15)
ACCUMULATED DEPREC LAND IMPR	(639,426.02)
IMPREST CASH-WPWMA	8,600.00

TOTAL CURRENT ASSETS

89,866,954.50

TOTAL ASSETS

89,866,954.50

LIABILITIES

CURRENT LIABILITIES

CONTRACTOR RETENTION PAYABLE	56,746.33
DEFERRED REVENUES-SUB SUPPORT	70,862.00
LANDFILL CLOSURE/POST CLOSURE	11,456,435.00
A/P FUND 51130	73,702.69

TOTAL CURRENT LIABILITIES

11,657,746.02

TOTAL LIABILITIES

11,657,746.02

CAPITAL

NET ASS INSTD CAP ASS NET DEBT	43,437,267.46
NET ASSTS HLD IN TRUST	2,170,697.16
DESIGNATED FOR FA ACQUIS	8,623,772.00
RESERVE FOR FUT OCCUR 59517	7,196,920.00
DESIGNATED FOR CONTINGENCIES	9,844,237.74
GENERAL RESERVE FUND 59513	1,118,522.00
RESERVE FOR IMPREST CASH	8,600.00
RESERVE FOR HHW CLOSURE	33,431.00
DESIGNATED FOR ROAD IMPV	309,604.00
YTD NET INCOME	5,466,157.12

TOTAL CAPITAL

78,209,208.48

TOTAL LIABILITIES & CAPITAL

89,866,954.50

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**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **SEPTEMBER 14, 2017**
FROM: **KEN GREHM / KEITH SCHMIDT** 
SUBJECT: **CREDITABLE RECOVERY ACHIEVED & INCENTIVE PAYMENTS
EARNED BY NORTECH WASTE IN FY 2016/17**

RECOMMENDED ACTION:

None. This item is presented for information only.

BACKGROUND:

The MRF Operating Agreement (Agreement) requires Nortech to achieve a creditable recovery rate of 22% from municipal solid waste (MSW) and 50% from construction & demolition debris (C&D). These minimum rates were set after consultation with the Member Agencies and based on the recovery rates required by each jurisdiction to reliably meet the waste reduction requirements included in AB 939. For the purposes of these performance requirements, source separated recyclables and source separated green and wood wastes do not count toward Nortech's creditable recovery rate. To encourage Nortech to maximize the recovery rate achieved at the MRF, the Agreement provides for an incentive payment of \$18 per ton for materials recovered in excess of the contractual requirements, which is approximately equal to the avoided cost of landfilling the material. The creditable recovery rate and applicable incentive payment (if any) is computed on an annual basis coinciding with the WPWMA's fiscal year.

For FY 2016/17 Nortech achieved a creditable recovery rate of 23.94% from MSW and 50.45% from C&D. For purposes of comparison, the following table summarizes the recovery levels achieved by Nortech over the past several years.

<u>Period</u>	<u>MSW Recovery</u>	<u>C&D Recovery</u>
FY 2016/17	23.94%	50.45%
FY 2015/16	22.73%	51.39%
FY 2014/15	24.13%	54.72%
FY 2013/14	26.05%	55.27%
FY 2012/13	27.90%	54.43%
FY 2011/12	30.48%	53.73%

The increase in the MSW recovery rate appears to be related to an uptick in fiber markets while the decrease in the C&D recovery rate appear to be related to upstream competition for, or separation of, cleaner, higher value products such as new construction dimensional lumber and metals.

FISCAL IMPACT:

For FY 2016/17, Nortech earned \$80,413.17 in incentive payments. For purposes of comparison, Nortech earned an incentive payment of \$44,441.03 in FY 2015/16.

The incentive payment of \$80,413.17 was an anticipated expense; sufficient funding was included in account 2546 "MRF Operations" of the FY 2016/17 Budget to cover these costs.

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**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **SEPTEMBER 14, 2017**
FROM: **KEN GREHM / ERIC ODDO** 
SUBJECT: **FY 2016/17 RECYCLABLE REVENUE SHARING**

RECOMMENDED ACTION:

None. This item is presented for information only.

BACKGROUND:

The MRF Operating Agreement includes a provision that addresses the sharing of recyclable commodity revenues between the WPWMA and Nortech during times of favorable market conditions.

This revenue sharing provision states that when the average annual sales price of a recyclable commodity exceeds a pre-defined benchmark value, the WPWMA is entitled to receive 20% of the gross revenues¹ received by Nortech for that commodity in excess of the benchmark value. The benchmark value of each commodity was established in 2010 and is adjusted each fiscal year according to the year-over-year change in the Producer Price Index for the month of July.

For example, in FY 2016/17 the benchmark value for cardboard was \$132.26 per ton, the average annual sales price was \$158.98 per ton and Nortech recovered and marketed 4,833.01 tons of cardboard. Accordingly, the WPWMA was entitled to \$25,825.65 of the overall cardboard commodity revenues received by Nortech as noted below:

$$\text{Shared Cardboard Revenue} = 20\% \times (\$158.98/\text{ton} - \$132.26/\text{ton}) \times 4,833.01 \text{ tons} = \$25,825.65$$

A summary of the individual commodity parameters for FY 2016/17 is included as an attachment to this report. A comparison of the individual commodity revenues received by the WPWMA over the last five fiscal years is also attached.

FISCAL IMPACT:

For FY 2016/17 the WPWMA received a total of \$31,143.83 in shared recyclable revenue. For purposes of comparison, in FY 2015/16, the WPWMA received \$13,875.77. This increase in shared revenues between FY 2015/16 and FY 2016/17 appears to be primarily due to improvements in the market for fiber commodities compared to last year. Due to the inherent volatility in recyclables markets, shared revenues were not included as a source of funding in the FY 2016/17 Budget.

ATTACHMENT: RECYCLABLE COMMODITY REVENUES RECEIVED BY THE WPWMA IN FY 2015/16
SUMMARY OF RECYCLABLE COMMODITY REVENUES RECEIVED BY THE WPWMA

¹ For the purposes of this provision, California Redemption Value proceeds and revenues associated with the sale of materials received at the buyback center are exempt from the revenue sharing calculations.


RECYCLABLE COMMODITY REVENUES RECEIVED BY THE WPWMA IN FY 2016/17

Commodity	Benchmark Value (\$/ton)	Avg. Sales Value (\$/ton)	Recovered Tonnage (tons)	Revenues Remitted to the WPWMA
Aluminum Cans	\$1,424.34	\$1,222.48	263.57	\$0.00
Aluminum Scrap	\$406.95	\$458.35	135.29	\$1,391.00
Lead Acid Batteries	\$722.04	\$531.02	45.42	\$0.00
Cardboard	\$132.26	\$158.98	4,833.01	\$25,825.65
Compost	\$15.29	\$11.43	33,143.40	\$0.00
Film Plastic	\$326.25	\$140.00	(0.24)	\$0.00
Glass - Mixed	\$76.47	(\$21.89)	2,231.10	\$0.00
HDPE Colored	\$382.33	\$296.59	502.00	\$0.00
HDPE Natural	\$601.54	\$477.88	447.61	\$0.00
Mixed Plastic (large)	\$103.06	\$101.35	1,552.09	\$0.00
Mixed Plastic (small)	\$51.62	\$100.00	(1.86)	\$0.00
Mixed Waste	\$96.66	\$101.24	2,104.24	\$1,928.51
Newspaper	\$111.91	\$134.04	451.55	\$1,998.67
PET Plastic	\$438.41	\$213.79	1,277.88	\$0.00
Scrapping Materials	\$1,019.55	\$522.60	131.46	\$0.00
Steel	\$137.63	\$81.56	10,203.90	\$0.00
Wood Waste	\$15.29	\$1.09	15,022.50	\$0.00
Total			29,191.53	\$31,143.83

SUMMARY OF RECYCLABLE COMMODITY REVENUES RECEIVED BY THE WPWMA

Commodity	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Aluminum Cans	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Aluminum Scrap	\$0.00	\$4,780.72	\$3,062.42	\$0.00	\$1,391.00
Batteries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cardboard	\$0.00	\$189.50	\$0.00	\$0.00	\$25,825.65
Compost	\$0.00	\$5,709.63	\$10,432.77	\$13,875.77	\$0.00
Film Plastic	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Glass	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HDPE Colored	\$410.82	\$2,914.75	\$6,559.40	\$0.00	\$0.00
HDPE Natural	\$0.00	\$1,261.34	\$4,737.13	\$0.00	\$0.00
Mixed Plastic (large)	\$5,118.95	\$22,951.50	\$28,626.56	\$0.00	\$0.00
Mixed Plastic (small)	\$2,959.75	\$990.09	\$3,465.48	\$0.00	\$0.00
Mixed Paper	\$0.00	\$0.00	\$0.00	\$0.00	\$1,928.51
Newspaper	\$0.00	\$0.00	\$0.00	\$0.00	\$1,998.67
PET Plastic	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Scrapping Materials	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Steel	\$96,276.24	\$75,764.97	\$0.00	\$0.00	\$0.00
Wood Waste	\$1,099.45	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$105,865.21	\$114,562.50	\$56,883.76	\$13,875.77	\$31,143.83

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **SEPTEMBER 14, 2017**
FROM: **KEN GREHM / KEITH SCHMIDT** 
SUBJECT: **FY 2016/17 ENERGY 2001 PERFORMANCE ANALYSIS**

RECOMMENDED ACTION:

None. This item is presented for information only.

BACKGROUND:

On December 11, 2014, your Board approved the Sixth Amendment to the Lease Agreement with Energy 2001 (Energy). Among other things, the amendment included a provision that if Energy's gross annual revenues earned between July 1, 2016 and April 9, 2017 exceeded \$2,326,027 the WPWMA would earn an additional 1.5% in royalties (i.e. \$34,890 or more).

As reported by Energy, between July 1, 2016 and April 9, 2017, they earned \$1,956,828 in gross revenues. Because Energy earned less than \$2,326,027 during this time frame, the WPWMA did not earn any additional royalties. For reference, during this period the WPWMA earned \$117,736 in royalties.

The attached table presents a monthly summary of Energy's revenue earnings and a comparison to target monthly earnings that would have been necessary to meet the \$2,326,027 threshold¹.

In reviewing available information on the operation of Energy's facility as well as the WPWMA's landfill gas system, it appears several factors played a part in preventing Energy from achieving the \$2,326,027 revenue threshold, including:

- The continued and unexpected decrease in the amount of landfill gas the WPWMA was able to collect which had begun in December 2015 and continued until flows began to increase again in January 2017.
- Intermittent events where Energy had engines offline or otherwise unavailable to produce electricity even if sufficient gas flow was available.
- Gas well field construction activities that necessitated periodic shutdowns of portions of the system and that were prolonged and delayed due to an abnormally wet winter.
- The continued need to keep most of the gas wells offline in the closed modules to avoid exacerbating the ongoing subsurface oxidation event in that area.

¹ The monthly target revenue numbers were computed based on average daily revenue earnings equal to \$2,326,027 divided by 283 days (the number of days during the period of July 1, 2016 to April 9, 2017).

MONTHLY SUMMARY OF ENERGY 2001 TARGET AND ACTUAL REVENUES

Month	Gross Revenues			Royalties earned by WPWMA
	Target ¹	Actual ²	Differential	
July	\$254,794	\$182,285	(\$72,509)	\$10,653
August	\$254,794	\$212,174	(\$42,620)	\$12,668
September	\$246,575	\$229,638	(\$16,937)	\$13,692
October	\$254,794	\$232,627	(\$22,168)	\$13,998
November	\$246,575	\$229,114	(\$17,462)	\$13,494
December	\$254,794	\$192,186	(\$62,609)	\$11,484
January	\$254,794	\$161,577	(\$93,218)	\$10,868
February	\$230,137	\$198,463	(\$31,674)	\$11,753
March	\$254,794	\$246,093	(\$8,702)	\$14,766
April ³	\$73,973	\$72,671	(\$1,302)	\$4,360
Total	\$2,326,027	\$1,956,828	(\$369,201)	\$117,736

¹ Due to rounding issues, the sum of the individual monthly target values is approximately \$3 less than the contractual benchmark value for the period.

² Unadjusted gross revenue which do not include credits or charges for imbalance power.

³ The values reported for April 2017 were estimated for the first nine days of the month assuming uniform facility operations over the course of the entire month.

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **SEPTEMBER 14, 2017**
FROM: **KEN GREHM / KEITH SCHMIDT** 
SUBJECT: **SUBSURFACE OXIDATION EVENT UPDATE**

RECOMMENDED ACTION:

None. This item is presented for information only.

BACKGROUND:

WPWMA staff informed your Board at the July 14, 2016 meeting of a subsurface oxidation event (Event) that was identified on May 8, 2016 in the Closed Area (Modules 1, 2, 10 and 11) of the landfill. The Event was made apparent when smoke and steam emanated from soil that was covering an inactive, uncapped access point connected to the Module 10 leachate sump riser. Initial review of monitoring data and field logs suggested that the Event may have started one to two months prior to surfacing and its effects were isolated to the eastern portion of Module 10 near the leachate sump (Event Area). The attached figure identifies the approximate location of the Event. As reported previously, WPWMA staff, along with the GCCS operations and maintenance contractor, Cornerstone, have been investigating and monitoring the Event and searching for additional causes.

Cornerstone's initial Event response included shutting off all infill and perimeter landfill gas (LFG) collection wells in the Closed Area to slow the Event and conducting an inspection of the integrity of the cover system. Excess surface vegetation was removed via livestock grazing but further cover system inspection did not reveal any obvious causative defects. The WPWMA also conducted an iso-settlement survey of the Event Area, comparing the 2011 and 2016 topographic survey results, and noted that most settlement occurred on the western slope. The WPWMA further investigated the western slope by digging twenty-five potholes through the cover system to verify cover thickness. Cover thickness was variable but did not reveal any obvious defects that appeared to have contributed to the Event. Additionally, no construction drawings for the landfill suggested other pipes were improperly terminated somewhere underground.

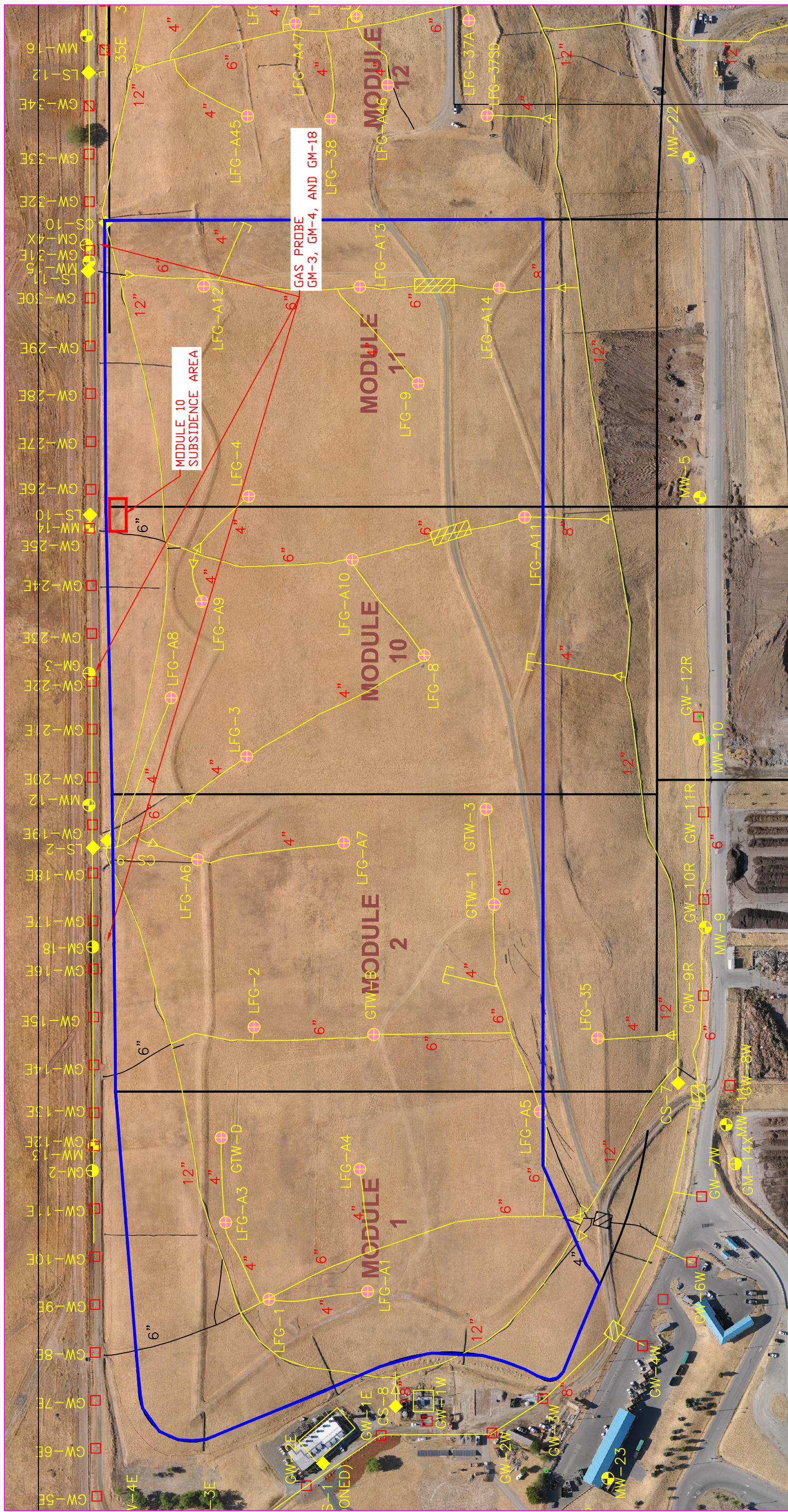
The temporary inability to sufficiently control the GCCS in the Closed Area without exacerbating the Event, along with the affected area being concentrated in the unlined modules, has caused LFG migration issues; LFG probe measurements indicate LFG is migrating from the Module 10 and 11 areas. Probes GM-3, GM-4 and GM-18 (see attached figure) exceeded the 5% methane regulatory threshold in November 2016. Cornerstone turned on two infill LFG wells in the Closed Area in an attempt to reduce methane concentrations in the probes. While successful in temporarily reducing methane concentrations in some of these probes, they remain in exceedance of the regulatory thresholds. On April 13, 2017, the WPWMA received a notice from CalRecycle that the landfill would be included in the inventory of Solid Waste Facilities which Violate State Minimum Standards because of these LFG probe readings. Staff

has directed Cornerstone to continue to draw as much LFG from the Closed Area as possible but that will not exacerbate or reignite the Event.

Ideal conditions for an additional investigation of the landfill cover were present on February 21, 2017; LFG wells in the Closed Area had been offline for roughly 6 months and heavy rains had saturated the soil cover. WPWMA and Cornerstone staff conducted a subsequent investigation of the Module 10 and 11 cover system and discovered air bubbling from several locations near the Module 10 leachate sump riser. Between February and May 2017, this portion of Module 10 subsided significantly, causing a crack in the landfill soil cover that appears to be directly related to the Event. The subsided area is indicated on the attached figures.

The more recent temperature and gas quality data in the Closed Area suggests the Event is at or near its conclusion. LFG flow rates from the Closed Area are near their pre-Event flow rates, carbon monoxide and temperature levels in the waste appear to be stable, and LFG probe readings are declining fairly consistently. While the most likely cause of the Event appears to be the single visible defect in the Module 10 leachate sump riser, WPWMA staff intends to conduct a thorough condition assessment of nearby LFG wells and other pipe penetrations through the cover of the Closed Area as part of a larger landfill gas well condition assessment identified in Item 9a of this agenda package.

ATTACHMENTS: WRSL MAP
SUBSIDENCE PHOTO



LEGEND

AREAS WITH FINAL COVER: 55 ACRES

SUBSIDENCE AREA (<0.05 ACRES)

APPROXIMATE SCALE: 1" = 100'



WESTERN PLACER

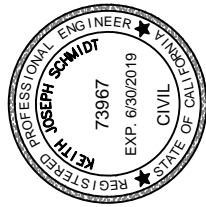
WASTE MANAGEMENT AUTHORITY
Physical: 3033 Fiddymount Road - Roseville, California 95747
Mail: 11476 C Avenue - Auburn, California 95603
(916) 543-3960 www.wpwma.com

Project No.

GCCS AS OF 7/1/2016

FIGURE 1

Sheet No.



Drawn by:

Checked by:

Approval date:

Issue for bids:

REVISIONS

2019/04/27

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INCLUSIONS

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VERIFY SCALES: BAR IS TWO INCHES ON ORIGINAL DWG

INCHES ON ORIGINAL DWG.

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WESTERN PLACER


WASTE MANAGEMENT AUTHORITY

Downloaded from <http://ajph.org/> on November 10, 2015

MODULE 10 SUBSIDENCE AREA



**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **SEPTEMBER 14, 2017**
FROM: **KEN GREHM / ERIC ODDO** 
SUBJECT: **OVERVIEW OF THE WPWMA'S FINANCIAL FORECASTING TOOL**

RECOMMENDED ACTION:

None. This item is presented for information only.

BACKGROUND:

The WPWMA currently operates within three budgets:

1. The **Closure/Postclosure Fund**, whose purpose is to ensure adequate funding for final closure and postclosure monitoring and maintenance of the Western Regional Sanitary Landfill.
2. The **Self Insurance Fund**, which was established to cover expenses from claims, lawsuits and damage assessments against the WPWMA.
3. The **Operating Fund**, which covers all other expenses of the WPWMA, including staff costs and the operating agreements with Nortech Waste, LLC and Nortech Landfill, Inc.

For the purposes of preparing the WPWMA's annual budgets, staff employs a long-range financial forecasting tool that is used to: 1) estimate the costs associated with ongoing operations, including those associated with the MRF, landfill, insurance, staff costs and outside professional services; 2) identify and estimate the timing and cost of large construction projects and other significant facility modifications; 3) estimate the future quantities of wastes received, processed and landfilled at the facility; and 4) establish appropriate tipping fee structures to ensure sufficient revenue and balanced budgets. By utilizing this long-range forecast, staff is able to provide consistent, stable and realistic annual budgets for your Board's consideration.

The following provides a brief summary of the aforementioned items and how they relate to the three budgets. Additionally, staff will make a PowerPoint presentation that provides an overview of the Financial Forecasting tool with an emphasis on the items noted above.

Closure/Postclosure Fund

1. The primary "cost" in this budget is related to an annual adjustment to the estimated liability associated with final closure of the landfill. The WPWMA is required to have sufficient funds available at all times for the State to conduct closure construction activities for the currently filled portion of the landfill and perform postclosure activities over a 30 year period in the event the WPWMA abandons the site. The current liability is estimated to be \$11,137,343.
2. As the site is filled, the liability increases. As portions of the final cover system are constructed, the liability decreases. The funding set aside to cover this liability cannot be used to fund construction of the final cover system (which

comes from the Operating Fund). Reductions in the liability as a result of construction may occur one to two years following completion of construction.

3. Funding for this budget comes from a portion of the tipping fee for wastes that are landfilled as well as interest earned on the reserved funds. Currently approximately 1% of the tipping fee on applicable materials is allocated towards this budget.

Self-Insurance Fund


1. There are currently no regular or ongoing costs associated with this budget. Instead, it is intended to provide financial resources in the event of a lawsuit or damage claim against the WPWMA.
2. In FY 2005/06, the WPWMA stopped contributing a portion of the tipping fees to this budget. All contributions to this budget since that time have been due to interest earned on the reserve account balance.
3. Staff is currently researching whether this funding compliments the WPWMA's other insurance coverage or if it is intended to address items not covered by those other policies. Staff also intends to hire a firm to conduct an actuarial study to determine the appropriate level of funding for this budget and/or the most appropriate mechanisms for maintaining the necessary coverage.

Operating Fund

1. The Operating Fund includes the majority of the WPWMA's revenues and costs. Of the approximately \$25 million annual expenditures associated with ongoing (non-construction) operations, approximately 67% is associated with MRF and landfill operations, 29% with WPWMA staff and consultant costs, and 4% with taxes, permits, insurance and other overhead costs. For the most part, these ongoing costs are assumed to increase over time at a rate of approximately 2%.
2. The primary source of revenue (approximately 97%) comes from tipping fees. As a consequence, accurate forecasting of future tonnages and establishing an appropriate and competitive tipping fee structure is critical to maintaining a balanced budget and strong financial future. Staff considers changes in the economy, proposed and ongoing development projects, demographic shifts, legal and regulatory changes, and seasonal and severe weather influences when forecasting future waste tonnages.
3. The timing and estimated costs associated with large construction projects such as expansions to the landfill gas collection system, landfill liner systems and landfill cover systems are included in the Operating Fund. In many cases, money from reserves is used to partially or fully fund these projects.
4. Based on estimates of future ongoing operations and construction related costs¹ and anticipated waste quantities received at the WPWMA's site, staff has identified potential changes to the tipping fees over the next 25 years. After adjusting for inflation (assumed to be an annual average of 2%), tipping fees are anticipated to remain relatively flat.

¹ Excludes infrastructure or operational modifications that may be identified in the current Facility Master Planning process.

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **SEPTEMBER 14, 2017**
FROM: **KEN GREHM / KEITH SCHMIDT** 
SUBJECT: **FIRST AMENDMENT TO THE CORNERSTONE AGREEMENT FOR
LANDFILL GAS OPERATION, MONITORING AND MAINTENANCE
SERVICES**

RECOMMENDED ACTION:

Authorize the Chair to sign the First Amendment to the Landfill Gas Operations, Monitoring and Maintenance Services (O&M) Agreement with Cornerstone Environmental Group, LLC (Cornerstone), adding a task to conduct a well condition assessment, for an amount not to exceed \$70,000.

BACKGROUND:

In 2013, your Board authorized Cornerstone to conduct a well study to evaluate landfill gas wells that appeared to be watered-in, pinched, or otherwise obstructed based on well performance data. The study was successful in identifying (10) under-performing wells which were subsequently replaced. Nine (9) new wells were also constructed in newer waste fill areas as part of the same project.

In a similar fashion, during discussions with Cornerstone, WPWMA staff and Specialized Biogas Services (SBS, Energy 2001's consultant) in January 2017, well performance data again suggested some gas wells appear to be obstructed. Thirteen (13) new wells had just been drilled in December 2016, five (5) of which included dedicated pumping systems designed to ensure liquids from the wells could be easily and regularly removed. In April 2017, rainfall rates finally subsided sufficiently to allow connection to these new wells and, when turned on, most of the new wells were found to be inundated with liquids. The five (5) wells equipped with pumping systems were activated and have pumped out a significant quantity of liquids, but the gas flow rate from those wells have not appreciably increased after pumping. Further use of these new wells has required more frequent monitoring and reporting, resulting in additional O&M costs.

In addition to the possible well obstructions noted above, the subsurface oxidation event in the northern, closed section of the landfill has raised concerns that the design of some of the existing wells in the area could increase the potential for oxygen intrusion into the landfill.

WPWMA staff requested a cost proposal from Cornerstone to conduct a well condition assessment to better identify the causes of underperforming wells in the newer areas of the landfill and identify any other contributors to oxygen intrusion or other gas well field issues in the older areas of the landfill. Staff negotiated the attached Amendment with Cornerstone which includes: \$27,000 in funding to perform the well condition assessment via deployment of an in-well camera to inspect up to seventy (70) gas wells and perform minor alterations to the landfill gas collection and control system as

necessary; \$30,000 in additional funding for accelerated monitoring of the new wells noted above; \$13,000 for continued monitoring of the subsurface oxidation event.

ENVIRONMENTAL CLEARANCE:

This project is categorically exempt from further environmental review pursuant to Section 15301 "Existing Facilities" of the CEQA guidelines which provides for operation, repair, maintenance and minor alteration of existing public structures.

FISCAL IMPACT:

This First Amendment would authorize up to an additional \$70,000 in funding, increasing the total authorized expenditures to an amount not to exceed \$558,107. Sufficient funding is available in Account 2555 "Professional Services" of the FY 2017/18 Preliminary Budget to encumber the additional costs associated with the proposed amendment.

ATTACHMENT: FIRST AMENDMENT

ADMINISTRATING AGENCY: Western Placer Waste Management Authority

AGREEMENT NO.: 45183

DESCRIPTION: First Amendment to the Landfill Gas Operations, Monitoring and Maintenance Services Agreement at the Western Regional Sanitary Landfill

This FIRST Amendment is made to be effective as of, from and after the day of _____ 2017, and between the **WESTERN PLACER WASTE MANAGEMENT AUTHORITY**, a local public agency (hereinafter referred to as the "Authority"), and **CORNERSTONE ENVIRONMENTAL GROUP, LLC** (hereinafter referred to as the "Consultant").

RECITALS

1. The Authority and Consultant have entered into that certain "Landfill Gas Operations, Monitoring and Maintenance Services Agreement" as of February 24, 2017 (hereinafter referred to as the "Agreement").
2. The Second Amendment to the Consultant's previous contract (No. 45151) added a task to conduct a well study to determine the source of obstruction in numerous landfill gas wells, which was successful in identifying necessary replacement of non-performing wells.
3. The Authority acknowledges that inspection of additional landfill gas wells is necessary to evaluate the current source of oxygen intrusion, settlement and subsurface oxidation in the original landfill modules, and to identify any watered in or pinched off wells that may need to be replaced.
4. The Authority has requested a cost proposal from Consultant to inspect up to seventy (70) gas wells and make other minor alterations to the Gas Collection and Control System (GCCS) as necessary.
5. The Authority and Consultant acknowledge that, by extending the Agreement, the total cost of the Agreement shall increase to Five Hundred Fifty Eight Thousand, One Hundred Seven Dollars (\$558,107).
6. The Authority and Consultant wish to memorialize herein their agreement regarding the same. All references in this First Amendment to a Section, to an Appendix, or to an Exhibit shall refer to that Section or Exhibit of the Agreement, and all terms defined in the Agreement shall have the same meaning herein.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The following task shall be added: TASK 9 – Well Condition Assessment

Consultant shall identify landfill gas wells suspected to be partially obstructed or are otherwise not optimally performing. Consultant shall sound each well to refusal and insert a down-hole video camera into each well to assess whether water is present and determine the height of any water detected in the well, and inspect the wells for pinches, obstructions and presence and extent of any perforations. Consultant shall determine if the flow from the wells can be increased, if liquids or other obstructions are substantially affecting gas flow, or if the wells need further assessment, repair (i.e. installation of pumps in the event of water detection), or replacement.

Consultant shall submit a well shutdown plan for the Authority's approval prior to beginning inspections. Consultant shall shut down wells in groups so that each area of the well field continues to have reasonably consistent vacuum in the waste fill, and provide a map of the landfill indicating the well groups. Consultant shall limit each shutdown to an approximate 60 cubic feet per minute reduction in total wellfield flow. Upon Authority approval of the shutdown plan, Consultant shall email notice to the Authority, Energy 2001 and the Placer County Air Pollution Control District a minimum of 48-hours in advance of each shutdown indicating when wells are being shutdown, the maximum anticipated reduction in flow, and the approximate time flow will be restored to normal. Prior to shutdown, Consultant shall measure the vacuum on the well and the quality and quantity of flow.

Consultant shall record the results of the video inspections and provide a copy of the video to the WPWMA. Consultant shall prepare a report summarizing the findings of the investigation. Consultant shall prepare a spreadsheet indicating the as-built condition of each well, depth reached in the field via sounding, depth to water (if encountered), perforations remaining if identified, and comments made during the assessment as to the condition of the well casing. Consultant shall provide a list of wells requiring further assessment, repair and/or replacement and a list of repair options for each well recommended for repair.

2. The last sentence in item 2. **Payment**, shall be replaced with the following sentence:

"The total amount payable for all services provided under this Agreement, including Additional Services, shall not exceed Five Hundred Fifty Eight Thousand, One Hundred Seven Dollars (\$558,107) without the prior written approval of the Authority."

3. Exhibit B shall be deleted and Exhibit B.1 attached hereto is substituted therefore.

Except as expressly provided in this First Amendment, the Agreement shall remain unchanged and in full force and effect. After this First Amendment is duly executed and delivered by Authority and Consultant, this First Amendment shall be and constitute an integral part of the Agreement.

AUTHORITY: Western Placer Waste Management Authority
Attn: Keith Schmidt, PE
11476 "C" Avenue
Auburn, CA 95603
Phone: (916) 543-3986
Fax: (916) 543-3990

CONSULTANT: Cornerstone Environmental Group, LLC Attn: Paul Stout, PE 7600 Dublin Blvd. Suite 200 Dublin, CA 94568 Phone: (630) 633-5822 Fax: (630) 560-9879	REMIT TO: Cornerstone Environmental Group, LLC 90 Crystal Run Road, Suite 201 Middletown, NY 10941 Phone: (845) 695-0207 Fax: (845) 692-5894
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Authority or Consultant may from time to time designate any other address for this purpose by written notice to the other party.

Executed as of the day first above stated:

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

By: _____
Chairman, Western Placer Waste Management Authority

Date: _____

CORNERSTONE ENVIRONMENTAL GROUP, CONSULTANT

By: _____
Paul Stout, West Region Vice President

By: _____
Ken Karl, Co-President, Chief Operating Officer

Approved as to Form:

By: _____
Authority Counsel

EXHIBIT B.1

PAYMENT FOR SERVICES RENDERED

Payment to Consultant shall be made by the Authority on an hourly basis in accordance with the schedule attached hereto as Exhibit B-1.

Consultant shall submit invoices monthly for work performed. Such invoices shall describe in detail the work and work hours performed, the person(s) performing the work, his/her hourly rate, and the expenses and invoices for which a reimbursement is claimed. The invoices shall also include a spreadsheet that shows task budgets, charges by task for the current invoice, cumulative charges to date by task, and percent of budget remaining by task. Hourly time shall be stated in increments of no less than one-quarter (1/4) of an hour.

Provided the work has been satisfactorily performed, Authority shall pay invoices within thirty (30) days after approval of the invoice. Consultant shall provide such additional information as the Authority may request to verify any of the amounts claimed for payment in any invoice. Consultant shall not exceed the individual task budgets set forth in Table 1.1. Such task budgets may be formally amended by written agreement of Consultant and the Executive Director of the Authority. The total amount payable for all services provided under this Agreement shall not exceed Five Hundred Fifty Eight Thousand, One Hundred Seven Dollars (\$558,107).

Table 1.1: Not-to-Exceed Task Budgets

	Landfill Gas Operations and Maintenance	Original Budget	First Amendment	Total
Task 1	Routine GCCS Operation, Monitoring & Maintenance			
1A	Within the Blower/Flare Station	\$60,000		\$60,000
1B	Outside the Blower/Flare Station	\$101,840		\$101,840
Task 2	Routine LCRS Operation, Monitoring & Maintenance	\$80,000		\$80,000
Task 3	Reporting	---		---
3A	Biweekly Reporting	\$22,500		\$22,500
3B	Monthly Reporting	\$27,500		\$27,500
3C	Quarterly Reporting	\$16,000		\$16,000
3D	Semi-Annual Reporting	\$8,000		\$8,000
Task 4	Flare Source Testing	\$0		\$0
Task 5	Emergency/Non-Routine Work	---		---
5A	Response for the Authority	\$15,000	\$30,000	\$45,000

5B	Response for the Landfill Gas-to-Energy Plant	\$15,000		\$15,000
5C	Response for the Landfill Operator	\$15,000		\$15,000
5D	Response for Subsurface Oxidation Event	\$5,000	\$13,000	\$18,000
Task 6	Annual Wellfield Improvements	---		---
6A	Design	\$6,734		\$6,734
6B	Build	\$61,815		\$61,815
6C	Construction Management and Quality Assurance	\$8,718		\$8,718
Task 7	Spare Parts / Consumables	\$25,000		\$25,000
Task 8	General Engineering Services	\$20,000		\$20,000
Task 9	Well Condition Assessment	\$0	\$27,000	\$27,000
TOTAL CONTRACT AMOUNT		\$488,107	\$70,000	\$558,107